

Abortion Foes in Congress Run Into Tax Obstacle in Attempt to Curb Funding

By Richard Rubin - Mar 16, 2011

House Republicans' efforts to limit government funding for abortion are colliding with their emphasis on tax cuts, underscoring potential conflicts between the party's social and fiscal agendas.

A Republican bill that would cut taxpayer funding for abortion aims to prevent women from using itemized medical deductions, certain tax-advantaged health care accounts or tax credits included in last year's health care law to pay for abortions or for health insurance plans that cover abortion.

Under common Republican definitions, limiting a tax benefit is viewed as a tax increase -- which is anathema to the House majority.

"I understand the point they're trying to make through the tax code, saying abortion is not health care," said Grover Norquist, president of Americans for [Tax Reform](#), a Washington-based advocacy group that says 237 House members have signed its [no-tax-increase pledge](#). "We're just concerned that policy, however well-intentioned or virtuous, not ever mask a net tax increase."

A House Ways and Means subcommittee will consider the issue in a hearing today. The bill is co-sponsored by 221 House members.

No-Tax-Increase Pledge

Norquist said yesterday that he has been discussing the tax issue with bill sponsors and committee staffers. They have assured him, he said, that they will include a tax-cutting provision in the bill so it complies with his group's pledge.

"As the sole House committee that generates [tax policy](#), we speak with a lot of groups that are mindful of how specific legislation may impact the code and taxpayers alike, and ATR is one of those groups," said Ways and Means spokeswoman Michelle Dimarob. The purpose of today's hearing, she said, is to give Congress "the information it needs to ensure that the provisions are administrable and operable."

The bill, which is sponsored by Representative Christopher Smith, a New Jersey Republican, also prohibits [government spending](#) for abortion and forbids federal health care facilities to offer

abortion services. The bill provides exceptions for abortions performed to save a woman's life or to end pregnancies resulting from rape or incest. The House Judiciary Committee approved the measure March 3.

Most congressional Republicans support cutting spending for abortion. Their 2011 spending bill included a ban on funding for Planned Parenthood, and some lawmakers have been pushing to include similar language in the short-term spending measures that are funding the federal government while lawmakers devise a longer-term plan.

Spending provisions in the abortion bill, which expand and make permanent previous restrictions, fit with the party's stated agenda of reducing government expenditures.

Medical Deduction

The tax provisions raise a more complicated question because they would generate more money for the government. If a woman cannot use the itemized medical deduction -- which is available for expenses exceeding 7.5 percent of adjusted gross income -- for an abortion, she would pay more in taxes than she would have otherwise.

The bill would attempt to apply the same logic to health savings accounts and flexible spending accounts by removing abortion from the list of eligible medical expenses, said David Christensen, senior director of congressional affairs at the [Family Research Council](#), a Washington-based group that advocates religious values in public policy.

"We think that the IRS should not be incentivizing abortion through the [tax code](#)," he said.

Changing the tax treatment of abortion is a "very different concept" that could lead to other social policy changes through the tax code, said Donna Crane, policy director at [NARAL Pro-Choice America](#), an abortion-rights group in Washington.

"There's a lot of policies that can be enacted and changed that are super-creepy," she said.

Tax Breaks Remain

The bill would not affect the two largest tax breaks for health care: allowing employers to deduct the cost of health insurance for employees and letting employees receive employer-sponsored coverage without paying taxes on the value of the benefits.

Christensen said his group would support examining those tax provisions as well.

The [Congressional Budget Office released a report](#) yesterday saying that the bill would have a "negligible" effect on [tax revenue](#).

"Negligible's fine," Norquist said. "Zero's better, so there needs to be an offset."

As Congress pursues broader tax changes, similar tax provisions could cause fractures between fiscal conservatives who don't want taxes to increase and social conservatives who want to use economic policy as a tool with less attention to the fiscal consequences.

"The government should still have a right to shape the tax code in favor of public good or against something that they consider something that is not a public good," Representative Trent Franks, an Arizona Republican, said at a hearing last month.

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